

(2) Limitation

In financing the objectives of the Enhanced HIPC Initiative, an international financial institution shall give priority to using its own resources.

(b) Relation to poverty and the environment

Debt cancellation under the modifications to the Enhanced HIPC Initiative described in subsection (a) of this section should not be conditioned on any agreement by an impoverished country to implement or comply with policies that deepen poverty or degrade the environment, including any policy that—

(1) implements or extends user fees on primary education or primary health care, including prevention and treatment efforts for HIV/AIDS, tuberculosis, malaria, and infant, child, and maternal well-being;

(2) provides for increased cost recovery from poor people to finance basic public services such as education, health care, clean water, or sanitation;

(3) reduces the country's minimum wage to a level of less than \$2 per day or undermines workers' ability to exercise effectively their internationally recognized worker rights, as defined under section 262p-4p of this title;² or

(4) promotes unsustainable extraction of resources or results in reduced budget support for environmental programs.

(c) Conditions

A country shall not be eligible for cancellation of debt under modifications to the Enhanced HIPC Initiative described in subsection (a) of this section if the government of the country—

(1) has an excessive level of military expenditures;

(2) has repeatedly provided support for acts of international terrorism, as determined by the Secretary of State under section 2405(j)(1) of title 50, Appendix, or section 2371(a) of this title;

(3) is failing to cooperate on international narcotics control matters; or

(4) engages in a consistent pattern of gross violations of internationally recognized human rights (including its military or other security forces).

(d) Programs to combat HIV/AIDS and poverty

A country that is otherwise eligible to receive cancellation of debt under the modifications to the Enhanced HIPC Initiative described in subsection (a) of this section may receive such cancellation only if the country has agreed—

(1) to ensure that the financial benefits of debt cancellation are applied to programs to combat HIV/AIDS and poverty, in particular through concrete measures to improve basic services in health, education, nutrition, and other development priorities, and to redress environmental degradation;

(2) to ensure that the financial benefits of debt cancellation are in addition to the government's total spending on poverty reduction for the previous year or the average total of such expenditures for the previous 3 years, whichever is greater;

(3) to implement transparent and participatory policymaking and budget procedures, good governance, and effective anticorruption measures; and

(4) to broaden public participation and popular understanding of the principles and goals of poverty reduction.

(e) Definitions

In this section:

(1) Country suffering a public health crisis

The term “country suffering a public health crisis” means a country in which the HIV/AIDS infection rate, as reported in the most recent epidemiological data for that country compiled by the Joint United Nations Program on HIV/AIDS, is at least 5 percent among women attending prenatal clinics or more than 20 percent among individuals in groups with high-risk behavior.

(2) Decision Point

The term “Decision Point” means the date on which the executive boards of the International Bank for Reconstruction and Development and the International Monetary Fund review the debt sustainability analysis for a country and determine that the country is eligible for debt relief under the Enhanced HIPC Initiative.

(3) Enhanced HIPC Initiative

The term “Enhanced HIPC Initiative” means the multilateral debt initiative for heavily indebted poor countries presented in the Report of G-7 Finance Ministers on the Cologne Debt Initiative to the Cologne Economic Summit, Cologne, June 18–20, 1999.

(Pub. L. 95–118, title XVI, §1625, as added Pub. L. 108–25, title V, §501, May 27, 2003, 117 Stat. 747; amended Pub. L. 108–199, div. D, title V, §596, Jan. 23, 2004, 118 Stat. 209.)

REFERENCES IN TEXT

Section 262p-4p of this title, referred to in subsec. (b)(3), was in the original “section 526(e) of the Foreign Operations, Export Financing and Related Programs Appropriations Act, 1995 (22 U.S.C. 262p-4p)” meaning section 526(e) of Pub. L. 103–306, which was translated as reading section 1621 of Pub. L. 95–118 which was enacted by section 526(e) of Pub. L. 103–306 and is classified to section 262p-4p of this title, to reflect the probable intent of Congress.

CODIFICATION

May 27, 2003, referred to in subsec. (a)(1)(A)(ii), was in the original “the date of the enactment of this Act”, which was translated as meaning the date of enactment of Pub. L. 108–25, which enacted this section, to reflect the probable intent of Congress.

AMENDMENTS

2004—Subsec. (a)(1)(B)(ii). Pub. L. 108–199 substituted “clause (i)” for “subparagraph (A)”.

DEFINITIONS

The definitions in section 262p-5 of this title apply to this section.

§ 262q. Transferred

CODIFICATION

Section, Pub. L. 100–418, title III, §3202, Aug. 23, 1988, 102 Stat. 1382, which related to multilateral develop-

² See Reference in Text note below.

ment bank procurement, was renumbered section 1801 of title XVIII of Pub. L. 95-118, by Pub. L. 101-240, title V, § 541(b)(1), Dec. 19, 1989, 103 Stat. 2517, and transferred to section 262s of this title.

§ 262r. Annual report by Chairman of National Advisory Council on International Monetary and Financial Policies

(a) In general

The Chairman shall report annually to the Speaker of the House of Representatives, the President of the Senate, and to the President of the United States on the participation of the United States in the international financial institutions. The Chairman shall present such report to the Speaker of the House of Representatives and the President of the Senate not later than April 1 of each year following the close of the fiscal year covered by such report, except that the report for fiscal year 1989 shall be submitted not later than June 1, 1990.

(b) Contents of reports

Each annual report required by subsection (a) of this section shall contain—

(1) such data and explanations concerning the effectiveness, operations, and policies of the international financial institutions, such recommendations concerning the international financial institutions, and such other data and material as the Chairman may deem appropriate;

(2) the reports on each specific issue and topic which is required by any other provision of law to be included in the report of the National Advisory Council on International Monetary and Financial Policies required by section 286b(b)(5) of this title, as in effect immediately before December 19, 1989;

(3) a description of each loan or other form of financial assistance approved by any international financial institution during the fiscal year covered by such report, and a discussion of how such loan or financial assistance will benefit the people, particularly the poor people, of the recipient country;

(4) a review of the success achieved through the multilateral development banks in reducing or eliminating import restrictions and unfair export subsidies which—

(A) have been determined to be consistent with international agreements; and

(B) have a serious adverse impact on the United States;

(5) a description of the actions taken and the progress made in carrying out subsections (a) and (b) of section 286cc of this title;

(6) the report required by section 2018(c) of the International Narcotics Act of 1986 (title II of Public Law 99-570), discussing the actions taken and progress made in encouraging the multilateral development banks to finance drug eradication and crop substitution programs;

(7) a description of the progress made by the United States Executive Director of the International Monetary Fund with respect to the goals of section 286kk of this title;

(8) a description of the status of procedures in the multilateral development banks specifically designed to increase the productive role

of the poor in the economies of the nations which are borrowers from such banks;

(9) in consultation with the Secretary of State, a report on the progress toward achieving the goals of title VII (other than section 262e of this title), including the information required to be reported pursuant to section 262d(c) of this title, and, for the fiscal year 1990, the report described in section 262p-4h of this title;

(10) in consultation with the Secretary of State and the Administrator of the Agency for International Development, an assessment of the progress being made to implement the objectives of title XIII; and

(11) a report on—

(A) the progress made in transforming government-owned enterprises into privately owned enterprises as described in section 262p-4g(b) of this title;

(B) the performance of the privately owned enterprises resulting from such transformation; and

(C) the contributions of development finance companies toward strengthening the private sector in member borrowing countries.

(c) Definitions

As used in this title, title XVIII, and title XIX:

(1) Chairman

The term “Chairman” means the Chairman of the National Advisory Council on International Monetary and Financial Policies.

(2) International financial institutions

The term “international financial institutions” means the International Monetary Fund, International Bank for Reconstruction and Development, European Bank for Reconstruction and Development, International Development Association, International Finance Corporation, Multilateral Investment Guarantee Agency, African Development Bank, African Development Fund, Asian Development Bank, Inter-American Development Bank,¹ Bank for Economic Cooperation and Development in the Middle East and North Africa,² and Inter-American Investment Corporation.

(3) Multilateral development institutions

The term “multilateral development institutions” means the international financial institutions other than the International Monetary Fund.

(4) Multilateral development banks

The term “multilateral development banks” means the multilateral development institutions other than the Multilateral Investment Guarantee Agency.

(d) Testimony required

Upon request of the Committee on Banking, Finance and Urban Affairs of the House of Representatives, the Chairman shall testify before the Committee to support and explain each annual report required by subsection (a) of this section. If the President has delegated to a per-

¹ So in original. Probably should be followed by a comma.

² So in original.